

**ASSEMBLY BILL**

**No. 1390**

**Introduced by Assembly Member Ridley-Thomas**

February 21, 2003

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An act to add and repeal Sections 17052.11 and 23611 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1390, as introduced, Ridley-Thomas. Income tax credits: fuel efficient vehicles.

The Personal Income Tax Law and the Bank and Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would authorize a credit against those taxes for each taxable year beginning on or after January 1, 2003, and before January 1, 2008, in an amount equal to 20%, but not to exceed \$2,000, of the amount paid or incurred during the taxable year for the purchase of a fuel efficient vehicle. This bill would define a fuel efficient vehicle as a vehicle that achieves a fuel efficiency that is 25% greater than the baseline miles per gallon established for vehicles of the same classification as that vehicle.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 17052.11 is added to the Revenue and  
2 Taxation Code, to read:

1 17052.11. (a) For each taxable year beginning on or after  
2 January 1, 2003, and before January 1, 2008, there shall be allowed  
3 as a credit against the “net tax,” as defined in Section 17039, an  
4 amount equal to 20 percent, not to exceed two thousand dollars  
5 (\$2,000), of the amount paid or incurred during the taxable year  
6 for the purchase of a fuel efficient vehicle.

7 (b) For purposes of this section:

8 (1) “Fuel efficient vehicle” means a qualified vehicle that  
9 achieves fuel efficiency that is at least 25 percent greater than the  
10 baseline miles per gallon usage, as calculated by the California  
11 Energy Commission, for vehicles in the same CALCAR class as  
12 that vehicle.

13 (2) “Qualified vehicle” means a vehicle that is in the same  
14 class as any of the following CALCAR classes of vehicles:

15 (A) Mini-car.

16 (B) Sub-compact car.

17 (C) Compact car.

18 (D) Mid-size car.

19 (E) Large size car.

20 (F) Sports car.

21 (G) Minivan.

22 (H) Standard van.

23 (I) Compact truck.

24 (J) Standard truck.

25 (K) Mini-SUV.

26 (L) Compact SUV.

27 (M) Standard SUV.

28 (c) In the case where the credit allowed by this section exceeds  
29 the “net tax,” the excess may be carried over to reduce the “net  
30 tax” in the following year, and succeeding years if necessary, until  
31 the credit is exhausted.

32 (d) This section shall remain in effect only until January 1,  
33 2009, and as of that date is repealed.

34 SEC. 2. Section 23611 is added to the Revenue and Taxation  
35 Code, to read:

36 23611. (a) For each taxable year beginning on or after  
37 January 1, 2003, and before January 1, 2008, there shall be allowed  
38 as a credit against the “tax,” as defined in Section 23036, an  
39 amount equal to 20 percent, not to exceed two thousand dollars

1 (\$2,000), of the amount paid or incurred during the taxable year  
2 for the purchase of a fuel efficient vehicle.

3 (b) For purposes of this section:

4 (1) "Fuel efficient vehicle" means a qualified vehicle that  
5 achieves fuel efficiency that is at least 25 percent greater than the  
6 baseline miles per gallon usage, as calculated by the California  
7 Energy Commission, for vehicles in the same CALCAR class as  
8 that vehicle.

9 (2) "Qualified vehicle" means a vehicle that is in the same  
10 class as any of the following CALCAR classes of vehicles:

11 (A) Mini-car.

12 (B) Sub-compact car.

13 (C) Compact car.

14 (D) Mid-size car.

15 (E) Large size car.

16 (F) Sports car.

17 (G) Minivan.

18 (H) Standard van.

19 (I) Compact truck.

20 (J) Standard truck.

21 (K) Mini-SUV.

22 (L) Compact SUV.

23 (M) Standard SUV.

24 (c) In the case where the credit allowed by this section exceeds  
25 the "tax," the excess may be carried over to reduce the "tax" in  
26 the following year, and succeeding years if necessary, until the  
27 credit is exhausted.

28 (d) This section shall remain in effect only until January 1,  
29 2009, and as of that date is repealed.

30 SEC. 3. This act provides for a tax levy within the meaning of  
31 Article IV of the Constitution and shall go into immediate effect.

